GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

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Financial condition of Telecom PSUs
Choudhary Shri Ram Tahal;Giluwa Shri Laxman;Jadhav Shri Prataprao Ganpatrao;Laguri Smt. Sakuntala;Manjhi Shri Hari;Shah Smt. Mala Rajya Laxmi

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) the details of revenue generated and expenditure incurred by BSNL and MTNL under different heads during the last three years;

(b) whether the Government has conducted any enquiry on declining revenue and increased expenditure of these PSUs and fixed the responsibility therefor;

(c) if so, the details thereof and the reaction of the Government thereto;

(d) whether these PSUs have surplus staff particularly at higher levels and still new appointment are being done which put extra financial burden on these PSUs; and

(e) if so, the details thereof and the action taken by the Government in this regard?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)

(a) The details of revenue generated and expenditure incurred by Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) during the last three years are given in Annexure-A and Annexure-B respectively.

(b) & (c) Government is conscious that the performance of BSNL and MTNL needs improvement. BSNL and MTNL have been unable to invest in expansion/ modernization of their networks due to financial distress.

BSNL and MTNL are preparing revival plans for increasing revenue potential, identifying business opportunities, organizational restructuring and training to enable human resource to grow into customer-centric company with expertise in marketing and customer services delivery.

BSNL and MTNL are taking several other steps to enhance revenues through investments to strengthen their network and focus on customer care and service delivery to improve quality of service. These include:-

â€¢ To provide better network connectivity, BSNL has planned to add 6.3 millon Global System of Mobile communication (GSM) lines capacity in its network during the year 2015-16.
â€¢ Augmentation of mobile network by BSNL as part of its Phase-VII Project to create additional capacity of 15 million lines at an estimated cost of Rs. 4804.77 crores. This will result in addition of 14421 2G sites and 10605 3G sites across the country.
â€¢ Based on traffic growth, BSNL is constantly updating the requirements of various Broadband network elements in the system. For improving broadband services, BSNL has installed Google caching servers at 13 locations and done peering with Google at 3 locations for 110 GB capacity. Also Akamai caching servers were installed for 100 GB capacity. Also, BSNL has upgraded 47 Broadband Network Gateways (BNGs) in Broadband network for higher capacity.
â€¢ Augmentation of Microwave (M/W) backhaul network by MTNL to support the enhanced speed by providing connectivity of existing mobile tower sites in Delhi & Mumbai on Optical Fiber Cable (OFC) network in place of Microwave network.
â€¢ BSNL has entered into an agreement for setting up Wi-fi hotspots on revenue share basis to increase its revenue and providing better services to its customers.
â€¢ Introducing free night calling tariff plans for wireline customers to arrest decline in customer base and to acquire new wireline customers.
â€¢ Introduction of free national roaming on pan-India basis for mobile customers for retaining/increasing mobile customer base.

In order to improve the financial condition and support BSNL in additional revenue generation, Government has assigned new projects to BSNL such as:

â€¢ Comprehensive Telecom Development Plan for the North-Eastern Region for provision of mobile services in uncovered villages in Arunachal Pradesh and two districts of Assam at estimated project cost of Rs. 1975.38 crore and implementation of Transmission-Media Plan for North Eastern Region at an estimated cost of Rs.295.97 crore.
â€¢ Implementation of providing mobile connectivity in 2199 identified locations in Left Wing Extremism (LWE) affected areas at an estimated cost of Rs. 3567.58 crores.
â€¢ Implementation of Comprehensive Telecom Development plan for Andaman & Nicobar Islands and Lakshadweep Islands through augmentation of satellite connectivity/bandwidth at an estimated cost of Rs. 120.49 crores.

(d) & (e) BSNL and MTNL have reported that no appointments are being made at higher levels as they have sufficient number of staff at these levels.